West Bengal and Polavaram Irrigation Dam in Andhra Pradesh which are not SEZs.

(c) to (e) Land is a State subject and each State has its own compensation and relief and rehabilitation measures depending upon the requirements and necessities of respective States and these are applicable for acquisition of land for SEZs also. The SEZ Board of Approval considers only those proposals, which are duly recommended by the concerned State Government. The Ministry of Rural Development is currently formulating a revised National Rehabilitation Policy, 2007 and as and when the new policy is implemented, it will apply to acquisition of land for industrial project including SEZs. Various issues relating to SEZs including land acquisition have also been placed before the Empowered Group of Ministers (EGoM).

FDI in retail in SEZs

2421. SHRI V. HANUMANTHA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government propose to allow 75 per cent FDI in retain in SEZs;

(b) the details of the new policy to use the SEZs to allow giant MNC retail firms into the country, with no limits on percentage of FDI;

(c) what are the gains in using SEZs to allow all kinds of business into the country; and

(d) the steps proposed to review the SEZ policy in small scale sector?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) No, Sir.

(b) Does not arise.

(c) Setting up of SEZs is expected to bring overall development. The main objectives of SEZ Act, 2005 are generation of additional economic activity, promotion of exports of goods and services, attracting investment from foreign and domestic sources, generation of employment opportunities and development of infrastructure facilities.

(d) The SEZ Act, 2005 and SEZ Rules, 2006 have been operationalized only from February, 2006. There is no small scale sector specific SEZ policy. The question of review of SEZ policy with reference to the small scale sector does not arise.

Foreign capital in agriculture and agricultural farms

2422. SHRIMATI VIPLOVE THAKUR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Foreign Exchange Management Act (FEMA) does not permit deployment of foreign capital in agriculture and agricultural farms;

(b) if so, whether the Department of Industrial Policy and Promotion is considering a proposal for allowing overseas Indians to buy farmhouses and plantations on small scale;

(c) if so, the details thereof; and

(d) whether the proposal is fraught with serious consequences of social, legal and economic nature?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, notified under the Foreign Exchange Management Act prohibits non-residents, including Non-resident Indians and Persons of Indian origin form investing in Agriculture sector except in Tea Plantation sector and in Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisi-culture, Aqua-culture, Cultivation of Vegetables, Mushrooms under controlled conditions and services related to agro and allied sectors.

(b) and (d) Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 notified under the Foreign Exchange Management Act, 1999, allows Persons of Indian Origin resident outside India to purchase immovable property other than agricultural land/ plantation property/farm house in India.